

Introduced May 2, 2011
Public Hearing May 16, 2011
Council Action June 6, 2011
Executive Action June 8, 2011
Effective Date June 8, 2011

County Council Of Howard County, Maryland

2011 Legislative Session

Legislative Day No. 5

Bill No. 19 -2011

Introduced by: The Chairperson at the request of the County Executive

AN ACT pursuant to Section 612 of the Howard County Charter, approving a Second Amendment to Agreement of Lease between Howard County, Maryland and Liberty Property Limited Partnership for the lease of space located at 7178-7180 Columbia Gateway Drive, Columbia, Maryland; and authorizing the County Executive to take certain actions in connection with the Agreement.

Introduced and read first time May 2, 2011. Ordered posted and hearing scheduled.

By order Stephen M LeGendre
Stephen LeGendre, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on May 16, 2011.

By order Stephen M LeGendre
Stephen LeGendre, Administrator

This Bill was read the third time on June 6, 2011 and Passed ☒, Passed with amendments ☐, Failed ☐.

By order Stephen M LeGendre
Stephen LeGendre, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 7th day of June, 2011 at 3:00 a.m./p.m.

By order Stephen M LeGendre
Stephen LeGendre, Administrator

Approved/Vetoed by the County Executive June 8, 2011

Ken Ulman
Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 **WHEREAS**, Howard County, Maryland (the "County") is in need of space for the County
2 Health Department; and

3
4 **WHEREAS**, the County and Liberty Property Limited Partnership, a Pennsylvania limited
5 partnership, (the "Landlord") entered into a Lease Agreement, dated May 26, 2004, as amended by a
6 First Amendment to Agreement of Lease, dated September, 2004 (collectively, the "Lease") for
7 approximately 54,249 rentable square feet of space in the building located at 7178-7180 Columbia
8 Gateway, Columbia, Maryland; and

9
10 **WHEREAS**, the County and the Landlord desire to amend the Lease by entering into a
11 Second Amendment to Agreement of Lease, substantially in the form attached as Exhibit A; and

12
13 **WHEREAS**, the Second Amendment to Agreement of Lease proposes to extend the lease
14 term for an additional 24 months, commencing on July 1, 2011 and expiring on June 30, 2013; and

15
16 **WHEREAS**, such a term requires the payment by the County of funds from an appropriation
17 in a later fiscal year and therefore requires County Council approval as a multi-year agreement
18 pursuant to Section 612 of the Howard County Charter.

19
20 **NOW, THEREFORE,**

21
22 ***Section 1. Be It Enacted by the County Council of Howard County, Maryland that in accordance***
23 ***with Section 612 of the Howard County Charter, it approves the Second Amendment to Agreement of***
24 ***Lease between Howard County and Liberty Property Limited Partnership for the 24-month term,***
25 ***substantially in the form of Exhibit A attached to this Act.***

26
27 ***Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland that the***
28 ***County Executive is hereby authorized to execute the Second Amendment to Agreement of Lease for***
29 ***such term in the name of and on behalf of the County.***

1
2 ***Section 3. And Be It Further Enacted by the County Council of Howard County, Maryland that the***
3 ***County Executive, prior to execution and delivery of the Second Amendment to Agreement of Lease,***
4 ***may make such changes or modifications to the Second Amendment to Agreement of Lease as he***
5 ***deems appropriate in order to accomplish the purpose of the transactions authorized by this Act,***
6 ***provided that such changes or modifications shall be within the scope of the transactions authorized***
7 ***by this Act; and the execution of the Second Amendment to Agreement of Lease by the County***
8 ***Executive shall be conclusive evidence of the approval by the County Executive of all changes or***
9 ***modifications to the Second Amendment to Agreement of Lease, and the Second Amendment to***
10 ***Agreement of Lease shall thereupon become binding upon the County in accordance with its terms.***
11

12 ***Section 4. And Be It Further Enacted by the County Council of Howard County, Maryland that***
13 ***this Act shall be effective immediately upon its enactment.***

SECOND AMENDMENT TO AGREEMENT OF LEASE

THIS SECOND AMENDMENT TO AGREEMENT OF LEASE ("Amendment") is made this ____ day of _____, 2011, by and between LIBERTY PROPERTY LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("Landlord"), and HOWARD COUNTY, MARYLAND, a body corporate and politic ("Tenant").

RECITALS:

A. Landlord and Tenant are parties to a Lease Agreement dated May 26, 2004, as amended by First Amendment to Agreement of Lease dated September, 2004 (collectively, the "Lease") pertaining to that certain premises consisting of 54,249 rentable square feet of space (the "Premises"), in the building (the "Building") located at 7178-7180 Columbia Gateway Drive, Columbia, Maryland 21046, as more fully described in the Lease.

B. Landlord and Tenant desire to amend the Lease and extend the Term upon the terms and conditions set forth below.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Lease, and intending to be legally bound hereby, agree that the Lease is amended as follows:

1. Recitals. All of the above-referenced Recitals are incorporated into and made a substantive part hereof.

2. Definitions. Unless otherwise defined herein, all capitalized terms herein shall have the meaning set forth in the Lease.

3. Term. The Term, as defined in Section 1 of the Lease, is hereby extended for a period of twenty-four (24) months commencing July 1, 2011 (the "Effective Date") and terminating at 11:59 p.m. on June 30, 2013.

4. Rent. Effective as of the Effective Date, Section 3.1 of the Lease is amended to reflect that the Rent under the Lease shall be payable as follows:

Period	Monthly	Annual
7/1/2011 – 6/30/2012	\$77,304.83	\$927,657.96
7/1/2012 – 6/30/2013	\$79,237.45	\$950,849.40

5. Utilities. Landlord and Tenant acknowledge and agree that, notwithstanding the provisions of Section 3.6 of the Lease, utilities, including electricity, water and sewer service to the Premises are not separately metered. In accordance with past practice, Tenant shall continue to pay for all utilities serving the Premises, including electricity, water and sewer service, pursuant to any applicable submeters or by paying County's Portion of the cost of such utilities within thirty (30) days after receipt of an invoice from Landlord.

6. Tenant Improvements. Landlord shall construct improvements to the Premises pursuant to the Work Letter attached hereto as Exhibit A.

7. Renewal Option. Section 2.1.2 of the Lease is hereby deleted in its entirety. Provided that there then exists no event of default by Tenant under the Lease nor any event that with the giving of notice and/or the passage of time would constitute a default, and that Tenant is occupying at least 90% of the Premises, Tenant shall have the right and option to extend the Term for two (2) additional periods of twelve (12) months each, exercisable by giving the Landlord prior written notice, at least nine (9) months, but not more than fifteen (15) months, in advance of the expiration of the Term, as the same may be extended from time to time, of Tenant's election to extend the Term; it being agreed that time is of the essence and that the foregoing options are personal to the Tenant and are non-transferable to any sublessee (regardless if whether any such sublease was made with or without Landlord's consent) or other party. Any extension of the Term pursuant hereto shall be under the same terms and conditions as provided in this Lease except as follows:

1) the first additional period shall begin on July 1, 2013 and end on June 30, 2014; and the second additional period shall begin on July 1, 2014 and end of June 30, 2015;

2) all references to the Term in the Lease shall be deemed to mean the Term as extended pursuant to this Section 7; and

3) there shall be no further options to extend; and the Minimum Annual Rent for the first year of each additional period shall be the then current fair market rent for renewals for comparable space in the Columbia market. Subsequent year Minimum Annual Rent shall increase consistent with market annual escalations.

8. Broker. Landlord and Tenant each represents and warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Amendment, except Jones Lang LaSalle Brokerage, Inc. (the "Broker"), and that Landlord and Tenant knows of no other real estate broker or agent who is or might be entitled to a commission in connection with this Amendment. Landlord agrees to pay the Broker a commission in accordance with a separate agreement. Landlord and Tenant each agrees to indemnify, defend and hold the other harmless from and against all claims made by any broker or finding other than the Broker, for a commission in connection with this Amendment attributable to such party.

9. No Further Modification. The Lease shall remain in full force and effect, binding upon the parties and unmodified except as expressly set forth herein.

10. Successors and Assigns. The terms of and provisions of this Amendment shall bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the day and year first above written.

LANDLORD:

Witness:

LIBERTY PROPERTY LIMITED PARTNERSHIP

By: Liberty Property Trust, Sole General Partner

By: _____
Name: James J. Mazzairelli, Jr.
Title: Sr. Vice President and Regional Director

TENANT:

ATTEST

HOWARD COUNTY, MARYLAND

**_____
Lonnie R. Robbins
Chief Administrative Officer**

By: _____ (SEAL)
**Ken Ulman
County Executive**

APPROVED:

**_____
James M. Irvin, Director
Department of Public Works**

APPROVED FOR SUFFICIENCY OF FUNDS:

**_____
Sharon F. Greisz, Director
Department of Finance**

APPROVED FOR FORM AND LEGAL SUFFICIENCY
this _____ day of _____, 2011.

**_____
Margaret Ann Nolan
County Solicitor**

Exhibit A

WORK LETTER

THIS WORK LETTER EXHIBIT ("Work Letter") is entered into as of the ____ day of _____, 2011 by and between LIBERTY PROPERTY LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("Landlord") and HOWARD COUNTY, MARYLAND, a body corporate and politic ("Tenant") in connection with that certain Lease dated May 26, 2004, as amended by First Amendment to Agreement of Lease dated September, 2004, as amended by Second Amendment to Agreement of Lease dated of even date herewith (collectively, the "Lease") pertaining to that certain premises consisting of 54,249 rentable square feet of space (the "Premises"), in the building (the "Building") located at 7178-7180 Columbia Gateway Drive, Columbia, Maryland 21046. All initial capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Lease.

1. Landlord's Work. Subject to and in accordance with the terms and provisions contained in this Work Letter, Landlord shall perform the work in general accordance with the specifications attached as Exhibit A-1 (the "Specifications"). Upon full execution of this Lease, if necessary, Landlord will cause construction drawings based upon the Specifications to be completed (collectively with the approved Specifications, the "Approved Plans and Specifications"). The work to be completed by Landlord in accordance with the Approved Plans and Specifications and this Work Letter is referred to herein collectively as the "Landlord's Work". Subject to Tenant Delay (defined herein), Landlord shall commence construction of the Landlord's Work within ninety (90) days after the date hereof.

2. Substantial Completion. Landlord's Work shall be substantially completed (the "Actual Substantial Completion Date") when all Landlord's Work is complete, other than those items of work and adjustment of equipment and fixtures in the Premises, the incompleteness of which do not cause material and unreasonable interference with Tenant's use of or access to the Premises (each, a "Punch List Item", and collectively, the "Punch-List Items"). Notwithstanding anything in the Lease to the contrary, in the event there are any days (each, a "Tenant Delay Day") upon which Landlord is delayed in the performance of Landlord's Work by reason of a Tenant Delay (hereinafter defined), then the Actual Substantial Completion Date shall be deemed to be the date that the Actual Substantial Completion Date would have occurred, but for such Tenant Delay Days. For purposes of this Lease, "Tenant Delay" shall mean any of the following: (i) any delay by Tenant, or anyone employed or contracted for by Tenant (other than Landlord) in performing work to prepare the Premises for occupancy, including, without limitation, work in installing Tenant's trade fixtures and/or furniture and/or any default or delay on the part of Tenant or its contractors including, without limitation, utility companies and other entities furnishing communications, data processing or other service or equipment to Tenant; (ii) any failure by Tenant in performing its obligations under this Work Letter or in delivering, when required under this Work Letter or any other matter for which Tenant is responsible hereunder; (iii) any delay caused by Tenant's request or instruction to Landlord, the General Contractor (hereinafter defined) or any subcontractor or material supplier performing Landlord's Work or providing materials once Landlord's Work has commenced; or (iv) any Change Order

(hereinafter defined) or request for a Change Order made by Tenant previously approved by Landlord.

3. Punch List. The Punch List Items shall be set forth in a so-called written "Punch List" prepared and signed by Tenant and Landlord as follows: Landlord shall give Tenant reasonable advance notice of the time when Landlord intends to walk through the Premises and compile the Punch List, and if Tenant does not accompany Landlord on such walk-through, Tenant shall be bound by the Punch List compiled by Landlord. Landlord shall, no later than thirty (30) days after the Actual Substantial Completion Date (or such greater time as may be reasonably necessary under the circumstances, so long as Landlord is working diligently to complete the same), complete all the Punch List Items, and Tenant shall cooperate with Landlord in providing access during the performance as may be required to complete such work in a normal manner.

4. Engagement of Contractor. Landlord shall engage the general contractor (the "General Contractor") as the general contractor to perform Landlord's Work.

5. Change Orders. Tenant shall have the right, in accordance with this Section 5, to submit for Landlord's approval (which shall not be unreasonably withheld) proposals for changes in Landlord's Work (each such request, when approved, a "Change Order"). Landlord agrees to respond to any such request for a Change order with reasonable diligence (taking into consideration the information contained in such request). Landlord's response shall advise Tenant of Landlord's approval and of any anticipated costs, which shall include Landlord's construction management fee with respect to such costs (collectively, the "Change Order Costs") associated with such Change Order, as well as an estimate of any Tenant Delay days which would likely result on account of the proposed Change Order. Tenant shall have the right to then approve or withdraw its Change Order proposal within three (3) business days after receipt of such information. If Tenant approves such Change Order proposal and a Change Order is made, then the Change Order Costs associated with the approved changed order shall be paid by Tenant within ten (10) days after receipt of an invoice. Any revisions to the Specifications and any revisions to the construction drawings based upon the Specifications shall be considered a Change Order and all costs and expenses related thereto, including architectural and engineering services, shall be Change Order Costs.

6. Payment of Costs for Landlord's Work. Except for Change Order Costs, which shall be paid by Tenant as set forth in Section 5, Landlord shall construct the Landlord's Work at Landlord's sole cost and expense.

7. Cooperation. "Tenant's Construction Representative" for purposes of Landlord's Work shall be Michael Giovanniello, or a representative as Tenant may designate. "Landlord's Construction Representative" for purposes of Landlord's Work shall be Lynn Berger. Tenant and Landlord acknowledge and agree that Tenant's Construction Representative and Landlord's Construction Representative shall have full power and authority to act on their respective behalf and any action taken by either of them shall be fully binding upon Tenant or Landlord, respectively, for purposes of this Work Letter. Landlord shall reasonably cooperate with Tenant and Tenant's Construction Representative in such manner as Tenant may reasonably request by:

(i) providing Tenant and Tenant's Construction Representative reasonable access to the job site (subject to Landlord's and the General Contractor's requirements) both prior to and during construction; and (ii) providing Tenant and Tenant's Construction Representative the right to attend job meetings relating to the Landlord's Work. Tenant shall ensure that any work by Tenant is coordinated with Landlord's Work and any other work being performed at or about the Building by or for Landlord in such manner as to maintain harmonious labor relations. Each party authorizes the other to rely in connection with design and construction upon approval and other actions on the party's behalf by such party's Construction Representative or any person hereafter designated in substitution or addition by notice to the party relying.

8. Quality and Performance of Work. Landlord's Work shall be performed in accordance with the Approved Plans and Specifications and Change Orders thereto made in accordance with the terms and provisions of this Work Letter. Landlord's Work shall be performed in a good and workmanlike manner and in compliance with all applicable laws. Except to the extent to which Tenant shall have given Landlord notice of the manner in which Landlord has not performed Landlord's construction obligations under this Work Letter not later than the date which is thirty (30) days following the Actual Substantial Completion Date, Tenant shall be deemed conclusively to have approved the construction of Landlord's Work and shall have no claim that Landlord has failed to perform any of Landlord's obligations under this Work Letter. Landlord agrees to correct or repair at its expense items which are then incomplete or do not conform to Landlord's Work as contemplated under the Approved Plans and Specifications and approved Change Orders, but only if Tenant shall have given notice to Landlord, as aforesaid.

Exhibit A-1
Specifications for Landlord's Work

1. Paint & Carpet

- a. Using building standard paint materials, Landlord shall provide "touch-up" paint where necessary. Landlord and Tenant shall mutually agree upon the time when such touch-up painting will occur.
- b. Landlord shall cause the existing carpets to be cleaned. Tenant shall be responsible for removing wall hangings/decorations and furniture removal/relocation, including any data wiring/cabling, in order to allow Landlord to complete such cleaning.

2. Interior Light Fixtures

- a. Landlord shall repair and replace select HID indirect pendant fixtures that are in poor condition or no longer operational.
- b. Approximately 50% of the space is fitted with both 2'x2' and 2' x 4' lay-in fixtures that have T-12 ballasts and lamps. T-12 fixtures are very energy inefficient, and have lamps that will soon be discontinued and unavailable for purchase. Landlord will replace fixtures with updated energy efficient lighting as required upon the T-12 ballasts and lamps becoming discontinued.

3. Exterior Light Fixtures

- a. **Pole Lights:** Several electrical panels in the suite have circuits associated with parking lot pole lights. Landlord shall confirm that Howard County is only paying for their pro-rata share of exterior illumination. Landlord has uncovered an overpayment by Tenant in the amount of \$885.37 per calendar year of occupancy. Tenant shall be reimbursed said overpayment(s) in the form of a base rental credit upon the Lease Commencement Date in the amount of \$6,186.74.
 - a. **Lighting is inconsistent along the side of the building.** Landlord shall construct additional pole lights within mutually agreed upon areas throughout the parking lot. Landlord and Tenant shall walk the parking lot together and specifically discuss the areas throughout the parking lot where additional pole lights are requested. Landlord shall evaluate Tenant's request and review Landlord's budget in order to reasonably assess Tenant's request.

4. Roof Repairs

Numerous roof leaks continue to occur throughout the Premises. Landlord shall repair and replace ceiling tiles and make necessary improvements to resolve leakage throughout the space. Landlord, upon its inspection of the Premises and finding any damaged ceiling tiles shall repair said damaged ceiling tiles as a result of any "leakage".

5. Rooftop Heat Pumps

There are (3) different types of rooftop mounted heat pumps. All units are beyond their useful life and should be replaced. The Building is under a 5 year capital improvement plan to replace

failing units. Landlord has budgeted to replace two (2) roof top units during calendar year 2011 and shall replace the two (2) roof top units during calendar year 2011 or upon the date which is mutually agreed upon by Landlord and Tenant in the Amendment. Landlord shall ensure all rooftop mounted heat pumps are in good working order upon execution of the Amendment and shall ensure all rooftop mounted heat pumps continue to be in good working order throughout the Lease Term. Upon replacement of any rooftop mounted heat pump, prior to the expiration of the Lease Term, said replacement shall not be treated as an operating expense pass through to Tenant.

6. Temperature Controls

There are two different types of thermostats in the suite, Sanyo and Honeywell wall mounted thermostats. The Howard County suite had very uneven temperature throughout the space. The location of the thermostats and the efficiency of the different rooftop units are most likely contributing to the uneven temperature conditions in the suite. Landlord shall rebalance, repair and replace select HVAC systems in an effort to produce a consistent temperature throughout the Building. As part of the replacement of the two (2) rooftop units, Landlord shall rebalance the areas serving the two (2) new roof top units in order to provide for more even temperature conditions in the suite.

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on _____, 2011.

Stephen M. LeGendre
Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2011.

Stephen M. LeGendre
Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2011.

Stephen M. LeGendre
Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2011.

Stephen M. LeGendre
Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2011.

Stephen M. LeGendre
Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2011.

Stephen M. LeGendre
Stephen M. LeGendre, Administrator to the County Council



Howard County

Internal Memorandum

Subject: Testimony & Fiscal Impact Statement
Council Bill No. _____ - 2011 approving First Amendment to Agreement of Lease
for the lease of space located at 7178-7180 Columbia Gateway Drive, Columbia,
Maryland.

To: Lonnie R. Robbins
Chief Administrative Officer

From: James M. Irvin, Director *JMI*
Department of Public Works

Date: April 8, 2011

The Department of Public Works has been designated coordinator for preparation of testimony relative to the above referenced Council Bill that provides for the rental of office space to be used by the Howard County Health Department.

The County executed a lease dated May 26, 2004 with Liberty Property Limited Partnership for a term commencing on July 1, 2004 and ending June 30, 2011. The County wants to extend the terms of the lease through June 30, 2013.

In order to enter into a multi-year lease, council approval is required. Attached is a Council Bill approving an extension of the term of the lease for space located at 7178-7180 Columbia Gateway Drive, Columbia, Maryland. Upon approval of the legislation, the term of the lease will be extended to terminate on June 30, 2013.

The following fiscal impact will be associated with this legislation.

Period	Monthly	Annual
7/1/2011 – 6/30/2012	\$77,304.83*	\$927,657.96
7/1/2012 – 6/30/2013	\$79,237.45	\$950,849.40

*This new lease results in a savings of \$114,465.00 in Year One and \$91,138.00 in Year 2 for a total savings of \$205,603.00 over the two-year extension compared to the FY 2011 yearly rental.

Representatives of this department will be present at the public hearing to answer any questions or concerns. If you require any further information concerning this matter or have any additional questions, please do not hesitate to contact me at your convenience.

TDH/mcs

cc: Jennifer Sager
File

Tar/legislation/HealthDeptCampus/testimony-FY2012